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STATE OF THE NORTHERN ECONOMY

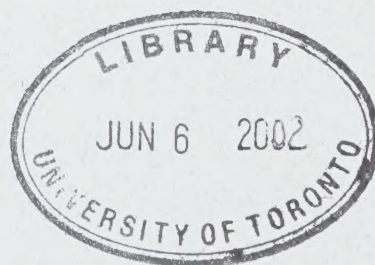
Economic Profile and Outlook

September 1998

Regional Economic Development Branch
Ministry of Northern Development and Mines




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by
John Stanley



NOTE:

The data for this document was compiled from a variety of sources. As a result, difficulties were encountered compiling data for a consistent time period.

Data sources are listed in the Endnotes.



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Introduction

General Economic Outlook

The **global economy** expanded by 4 percent in 1997, and is expected to continue to grow into the next century. The International Monetary Fund (IMF) predicts that growth will remain above 3 percent through to the year 2000. Although the East Asian market is expected to decline further in 1998, the impact will be moderated by steady growth in the U.S. and Europe.¹

The **United States economy** expanded by an estimated 3.8 percent in 1997 supported by stable interest rates, low inflation, employment growth and gains in personal incomes. It is expected to grow approximately 3.1 percent in 1998.²

Canada's economy remained strong through 1997. The Gross Domestic Product (GDP) had an average net gain of 2.6 percent from 1992 to 1997 and is expected to grow by 3.4 percent in 1998. Although exports are continuing to grow due to U.S. demand, Canada experienced a trade deficit in 1997 for the first time in six years. Both short-term and long-term interest rates have remained stable based on low inflation. A further decline in the value of the Canadian dollar could trigger an interest rate hike, which would decrease the expected rate of growth. Business investments in 1997 increased by 14.5 percent and are expected to remain strong in 1998.³

Ontario's economy is forecast to grow by 3.5 percent in 1998 and an additional 3.0 percent in 1999. According to a Statistics Canada survey, overall business investment in Ontario is expected to increase by almost 12 percent in 1998.⁴

Global Sectoral Trends

Depressed metal prices are affecting the financial health of the world's **mining** industry. After 5 years of gains, most metal prices declined in 1997. The economic crisis in Southeast Asia has lowered demand for metals and, consequently, prices have dropped. The price of gold, nickel and copper are expected to remain relatively low in the short-term, but should begin to recover through 1998.

Global competition in the **forest products** industry is increasing. In 1996, an oversupply of pulp products on the global market led to lower prices. Newsprint prices also declined in 1996, although they recovered in 1997 as a result of increased demand. The supply restriction on lumber shipments to the United States because of the new quota system is expected to maintain higher prices for softwood lumber.

Tourism is expanding globally, especially among tourists over the age of 50 who are seeking soft adventure travel that puts them in the outdoors. The lower value of the Canadian dollar relative to other currencies, is a stimulant to international tourists.

Increased global competition and changing demands in the **agriculture sector** will require farms to develop more efficient production methods and to expand into new agricultural products.

In the **manufacturing and service sectors**, knowledge-intensive industries, such as computers, software and medical technologies are among the fastest growing. There is also a growing shift from goods-producing to service-producing sectors.

Restructuring in the **public sector** is occurring in many industrialized nations, as governments address fiscal deficits and make structural changes in an effort to deliver their products and services more efficiently and effectively.

Northern Ontario Overview

Key Economic Indicators

Northern Ontario's **population** increased by 0.2 percent from 1991 to 1996. Population growth in the North was led by the following communities: Kenora (4.6 percent), Parry Sound (3.3 percent), Dryden (3.2 percent), and Sudbury (1.8 percent).⁵

The 1996 Census also revealed that nearly 20 percent of the northern population is francophone and approximately 10 percent is Aboriginal.⁶

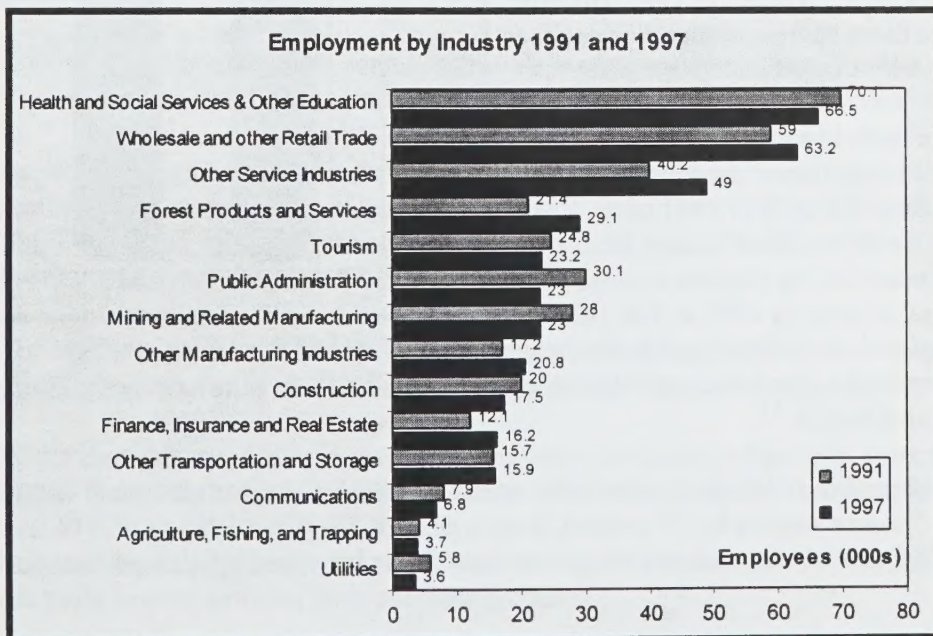
Statistic Canada's Labour Force survey reported a slight decline in Northern Ontario's **labour force** from 419,000 in 1996 to 403,600 in 1997.⁷

In 1997, Northern Ontario's **employment** level declined to 361,500 from 374,200 in 1996. However, from 1991 to 1997, there was a net gain of 5,000 jobs. An increase in private sector employment of 15,700 offset public sector losses. Significant growth occurred in the forest products industry, finance, insurance

Northern Ontario's Most Populated Communities

Community	1986	1991	1996
Sudbury	152,476	161,210	164,049
Thunder Bay	122,217	124,925	125,562
Sault Ste. Marie	84,617	85,008	83,619
North Bay	57,422	65,222	64,785
Timmins	48,657	47,461	47,499
Kenora	15,456	15,910	16,635
Elliot Lake	17,984	14,089	13,588
Kapuskasing	11,378	10,344	10,036
Kirkland Lake	11,604	10,440	9,905
Fort Frances	8,870	8,891	8,790
Dryden	6,462	6,505	6,711
Parry Sound	5,997	6,125	6,326
Total	543,120	556,130	557,235
Northern Ontario	798,140	822,450	826,276
Ontario	9,101,694	10,084,885	10,753,573
Canada	25,309,331	27,296,859	28,846,761

Source: Statistics Canada, 1996



Source: Statistics Canada, 1997

and real estate sector, transportation and storage industries and in other services industries.⁸ Since 1995 in Ontario, 345,000 net new private sector jobs have been created.

Unemployment rates in Northern Ontario decreased from 10.7 percent in 1996 to 10.4 percent in 1997. This compares with the overall Ontario unemployment rate, which decreased from 9.1 percent to 8.5 percent during the same period. Rates in Sudbury declined from 9.9 percent in 1996 to 9.1 percent in 1997. The unemployment rate in the North remains approximately 2 percentage points higher than the provincial average.⁹

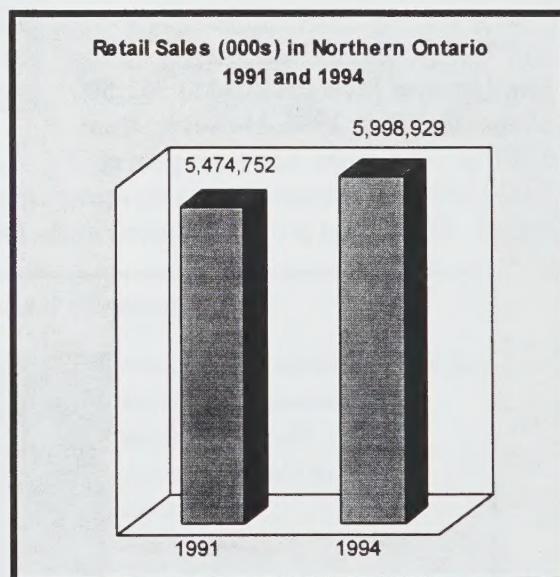
Business revenues increased by 20 percent in Northern Ontario, from 1993 to 1995. Low interest rates, rising profits, and increased business confidence have helped fuel new investments and expansions in the North. In the past two years, over \$1.5 billion has been invested in major capital projects in the North.¹⁰

The Northern Ontario **business confidence** index for the first quarter of 1998 declined by over 13 percent from the last quarter of 1997, according to a survey conducted by the Small Business Consulting Group at Laurentian University. Although the index declined, the survey showed that over half of the business leaders in Northern Ontario believe that economic conditions and profitability will improve this fall. Also, an Angus Reid survey of July 1998 indicated, 66% of Ontario's residents believe Ontario is a better place to do business than five years ago.

Consumer spending, as measured by **retail sales**, increased in Northern Ontario by 9.6 percent from 1991 to 1994.¹¹

The **value of building permits** for the North's 11 largest communities remained stable between 1993 and 1996, then increased by 6.3 percent in 1997. Housing starts for these same communities declined by 2.5 percent between 1996 and 1997.¹²

Average individual incomes in Northern Ontario increased by 2.3 percent from \$23,657 in 1991 to \$24,211 in 1995. The Thunder Bay District recorded the highest average individual income in 1995 at \$28,143. The Regional Municipality of Sudbury had the second highest average individual income at \$27,192, followed by the Cochrane District at \$26,428.¹³



Source: Statistics Canada

The number of individuals on provincial **social assistance** has declined since 1993 in the North's 5 major centres by 17 percent, from a peak of 79,053 in 1993 to 65,614 in 1997. Northern Ontario's dependency on government funds increased by 19.4 percent between

1991 and 1995, comparable to the provincial increase of 19 percent during the same time period. The Economic Dependency Ratio (EDR) was 39.21 in 1995 indicating that \$39.21 was received in transfer payments for every \$100 of employment income earned. In Ontario, the EDR was \$25.57, indicating a lower dependency on transfer payments than in the north.¹⁴

Consumer and business bankruptcies in the major centres in Northern Ontario, as reported by Industry Canada, increased by 8 percent from 1,797 in 1996 to 1,942 in 1997.¹⁵

Enrolment in colleges and universities in Northern Ontario increased by 23 percent from 1991 to 1997.¹⁶

Outlook

- Low interest rates, rising profits, reductions in personal income taxes, and stable prices should lead to a continued increase in business revenues in Northern Ontario, assist people to reduce their debt loads, strengthen consumer confidence, and bolster retail sales.
- Over \$886 million in major private-sector capital projects is planned or underway across the North, according to Ministry of Northern Development & Mines (MNDM) estimates. Additional funding to assist business growth is being provided by the NOHFC.
- A lower Canadian dollar will benefit Northern Ontario's tourism industry as well as its resource-based industries that are being impacted by a decline in commodity prices.
- A decline in the reliance on social assistance is expected to continue in Northern Ontario, due to growth in the number of jobs and initiatives to reduce dependency.
- Opportunities exist for northern post-secondary institutions to work more closely with northern industries to help meet their increasing demand for highly skilled workers. There is also an opportunity to recruit students from the United States due to the lower cost of attending school in Canada.
- The northern workforce is expected to become increasingly mobile, as workers will need to relocate in the wake of restructuring in both the private and public sectors.
- While the Northern Ontario unemployment rate continues to fluctuate, it remains higher than the provincial average. Efforts will need to continue to narrow the gap.
- Improved infrastructure in the north, such as roads and telecommunications, provides the tools needed to assist with business growth.

Key Northern Sectors

Mining

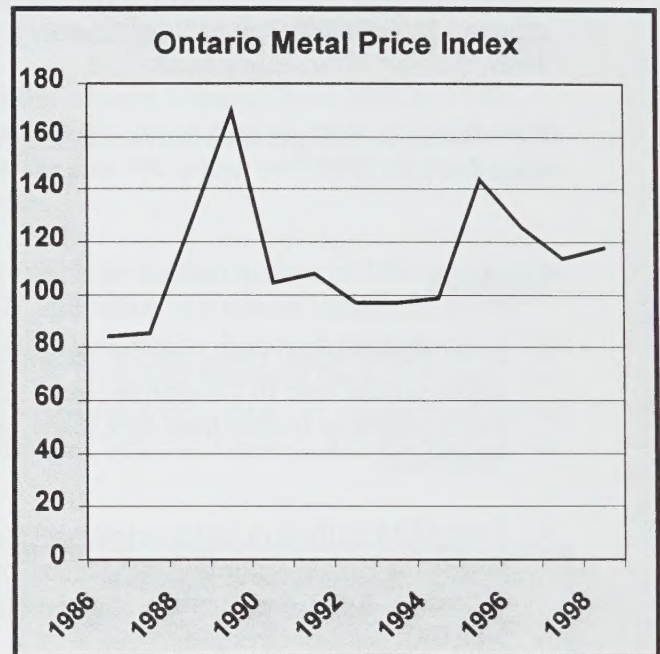
Profile

MNDM reported that **value of production** of Ontario's mineral industry remained above \$5.5 billion in 1997 despite declining metal prices. Ontario continues to be Canada's leading non-fuel mineral producer. The production of nickel and copper (primarily from the Sudbury basin) has remained constant over the last 25 years. The production of gold in Ontario quadrupled between 1980 and 1990 and has remained at a high level since 1990.¹⁷

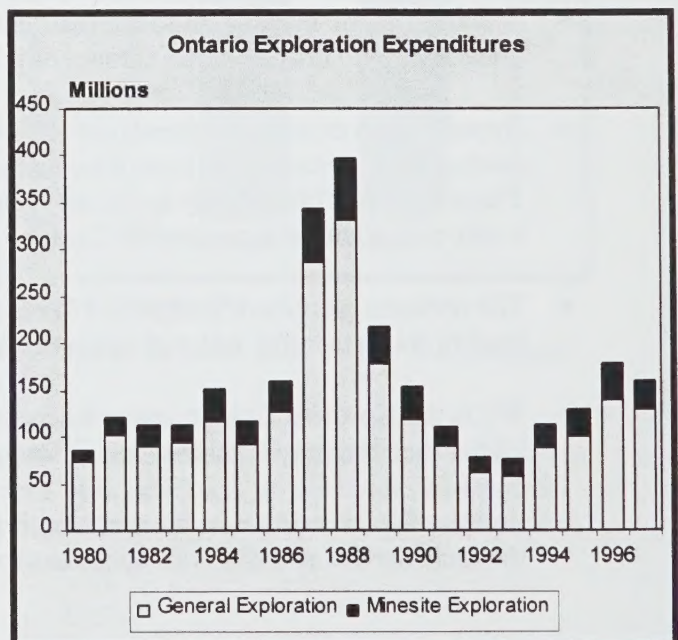
Global forces have led to lower **metal prices** including nickel, gold, copper and zinc leading to reduced production, premature mine closures, project delays and reduced exploration in Northern Ontario.

Metal mining **employment** has been relatively stable over the past 5 years. Total direct and indirect employment associated with mining in Northern Ontario is approximately 59,500 in 1997. Direct employment is estimated at 23,800, with 18,800 people employed directly in mines and associated smelters and approximately 5,000 people employed in the mineral exploration and drilling industries.¹⁸

The stable political and economic climate in Ontario helps to account for **exploration expenditures** recently attaining their highest levels since the late 1980s. Ontario remains one of the top destinations for mineral



Source: Ontario Ministry of Finance



Source: Ontario Ministry of Northern Development & Mines

exploration expenditures despite a more global search for minerals.¹⁹

Expenditures on minesite development increased from \$223 million in 1992 to \$277 million in 1996 because of new mine development and continued work on operating mines. The large number of metal mines located in Northern Ontario provides a base for continued investment in mine development.²⁰

In 1997, MNDM reported that active **mining claim units** remained at an all time high, above 180,000, for the second consecutive year. The number of active mining claims provides an indication of exploration activity at the grassroots level. Over 98 percent of active mining claims in Ontario are located in the North.²¹

Mineral reserves are defined as proven and probable minerals at producing mines or deposits firmly committed to production. The significant mineral reserves for Northern Ontario are the metal reserves of nickel, copper, gold, and zinc. Gold reserves have increased recently. Although base metal reserves are declining in Northern Ontario, new discoveries from exploration could increase the reserves.²²

Northern Ontario is home to about 6 percent of Ontario's **aggregate** companies that account for over 10 percent of the provinces total production. The aggregate sector is cyclical and closely linked to construction activity demand in the market. Most aggregate produced in Northern Ontario is for the domestic market.

Outlook

- The average price of gold is expected to increase over the next few years to \$320 (US), according to Natural Resources Canada – Nonferrous Metals Outlook. The gold fabrication demand will remain strong, but the demand for gold as an investment vehicle is uncertain as central banks continue to sell their gold reserves and inflation remains low. Lower gold prices threaten some of the higher cost gold mines in Ontario, but most should be able to maintain current levels of production.
- Natural Resources Canada – Nonferrous Metals Outlook report is also forecasting that the price of nickel will average out in the area of \$3 (US) per pound into the next century but may fluctuate between two and four dollars. Price fluctuations in nickel will be caused by supply uncertainties, such as Russian exports and the timing of major nickel projects such as Voisey's Bay. The annual average for copper prices should be about \$0.90 (US) per pound range over the next two years and then begin to increase gradually as demand slowly outpaces supply. The price of zinc is expected to show a gradual decline to \$0.50 (US) per pound until 2002 when it should begin to climb upward. Northern Ontario's two sources of zinc, Kidd Creek mine, and Winston Lake mine, will produce well into the next millenium as both operations continue to increase reserves.
- Northern Ontario's mining industry is a world leader in mine automation. Suppliers of equipment and services should continue to expand marketing efforts of their

products internationally through organizations such as the Canadian Association of Mine Equipment and Services for Export and the Ministry of Northern Development and Mines.

- The rising demand for sand, gravel and crushed stone in the Greater Toronto Area and the difficulty in developing aggregate reserves in southern Ontario is a significant opportunity for northern aggregate producers to provide sand, gravel and crushed stone on a backhaul basis from Northeastern Ontario.
- Long term certainty brought about as a result of the lands for life process will encourage economic development and job growth.
- There is significant opportunity to develop value-added activities in Northern Ontario, such as the development of nickel alloys and further processing of the metals.

Forestry

Profile

A significant portion of the Ontario **forest industry infrastructure** is located in Northern Ontario, including 17 of the province's 35 pulp and paper mills. Natural Resources Canada reported that Ontario's forest industry exported \$7.9 billion worth of products in 1995, with newsprint accounting for 23 percent and softwood lumber and wood pulp each accounting for 15 percent. Most of these exports went to the United States. Ontario's forest products sector produces 5.4 percent of the province's manufacturing Gross Domestic Product and 18 percent of Canada's total forest products exports.²³

Ontario's forest **reserves** cover 800,000 square kilometres. They comprise 17 percent of Canadian and one percent of the world's forests. More than 85 percent of these forest resources are owned by the provincial government. The boreal forest accounts for 76 percent of the province's woodland and supports most of its forest industry.²⁴

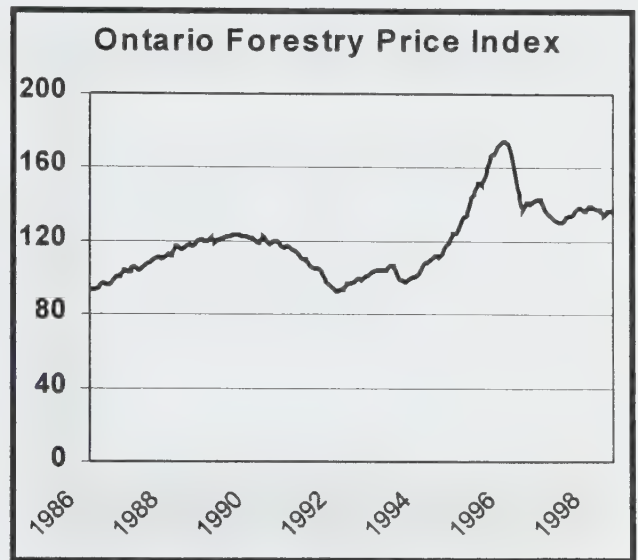
Northern Ontario produces an estimated 2.8 million tonnes of **paper products** annually. It accounts for all of Ontario's annual market pulp production capacity of 1.2 million tonnes and approximately 75 percent of its newsprint capacity (1.4 million tonnes).²⁵

Employment in the forest products and services sector in Northern Ontario was over 29,000 in 1997. Nearly one third of the communities in Northern Ontario are highly dependent on the forest industry. This sector is most prominent in the Thunder Bay, Cochrane and Kenora Districts.²⁶

According to Statistics Canada, the primary forest products industry in Ontario spent over \$900 million in 1995 and again in 1996. Much of the recent spending has been directed

to environmental controls, effluent treatment facilities, and upgrading of mill machinery to improve quality and efficiency.²⁷

The northern economy remains dependent on forestry, which is tied to international commodity prices determined in the US and globally. The price of forestry products peaked in 1996 but have remained stable since 1997. Revenues from domestic and export sales fluctuate because of changing production levels and volatile pricing.



Source: Ontario Ministry of Finance

Outlook

- The Food & Agriculture Organization of the United Nations (FAO) predicts a 56 percent increase in global industrial timber demand between 1993 and 2010.
- Approximately 95 percent of Ontario forest products are shipped to the United States, according to Statistics Canada. This market is expected to continue to grow at a modest rate. Ontario exports are predominantly primary or commodity products such as newsprint, market pulp, lumber and composite panels.
- Steady housing demand in the US will increase demand for housing components such as millwork, windows, doors and trusses and composite beams.
- Lumber prices are expected to remain high as a result of the low Canadian dollar, strong US construction activity, and the Softwood Lumber Agreement signed with the US in April of 1996, which contains quotas to restrict supply.
- Because of restructuring and the adoption of new technologies in the forest products industry, this sector has become increasingly competitive. In order to compete, companies are diversifying towards higher value-added production such as lumber and paper products, pre-fabricated housing, buildings and components, environmental technologies and commercialization of research and development in silviculture forest management and production.

- Northern Ontario offers excellent investment opportunities in secondary product manufacturing. Investors can take advantage of the large production capacity of primary manufactures of solid wood and pulp and paper products. The quality of Northern Ontario wood fibre is excellent while its plants are cost-competitive and have good access to major world markets.
- Although there will continue to be significant increases in both paper and pulp capacity globally, demand is expected to outstrip supply, which will help Northern Ontario producers. New paper-making capacity is not expected to seriously challenge the newsprint and higher value added papers sector because of the high quality softwood fibres in Northern Ontario. Most of the new pulp and paper capacity in the emerging economies are in hardwood pulps.
- There are opportunities for investment in First Nation communities across Northern Ontario since Aboriginal communities are active in the forest industry. There are over 40 Aboriginal forestry businesses in Northern Ontario involved in logging, skidding, pulp cutting, and forest management. It is expected additional opportunities will develop once the North of 51 initiative gets underway.

Tourism

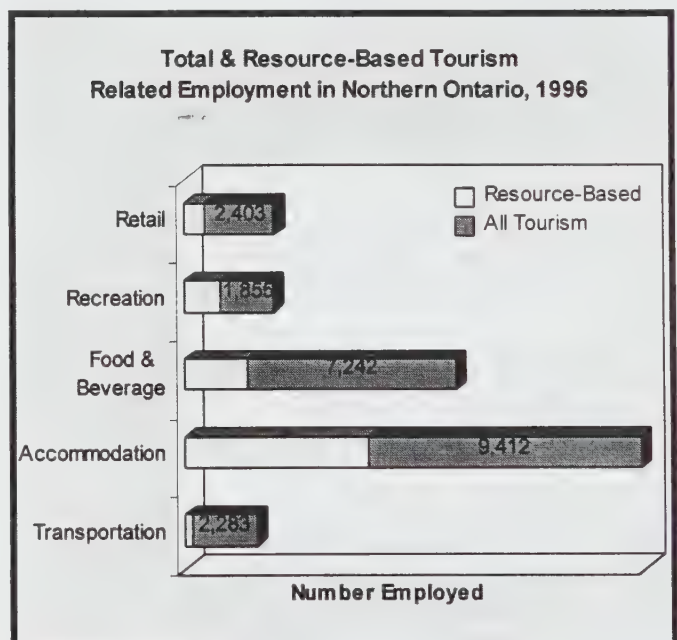
Profile

Over 9 million **person visits** were made in Northern Ontario in 1996, generating approximately \$1.2 billion in revenue. Between 1994 and 1996, tourism expenditures in the Northeast increased by \$0.3 million (.04 percent), while total tourism in the Northwest increased by \$26.3 million (5.9 percent).²⁸

Tax revenues from tourism expenditures generated to all levels of government amounted to \$485 million in 1996, up from \$461 million in 1994, an increase of 5.2 percent.²⁹

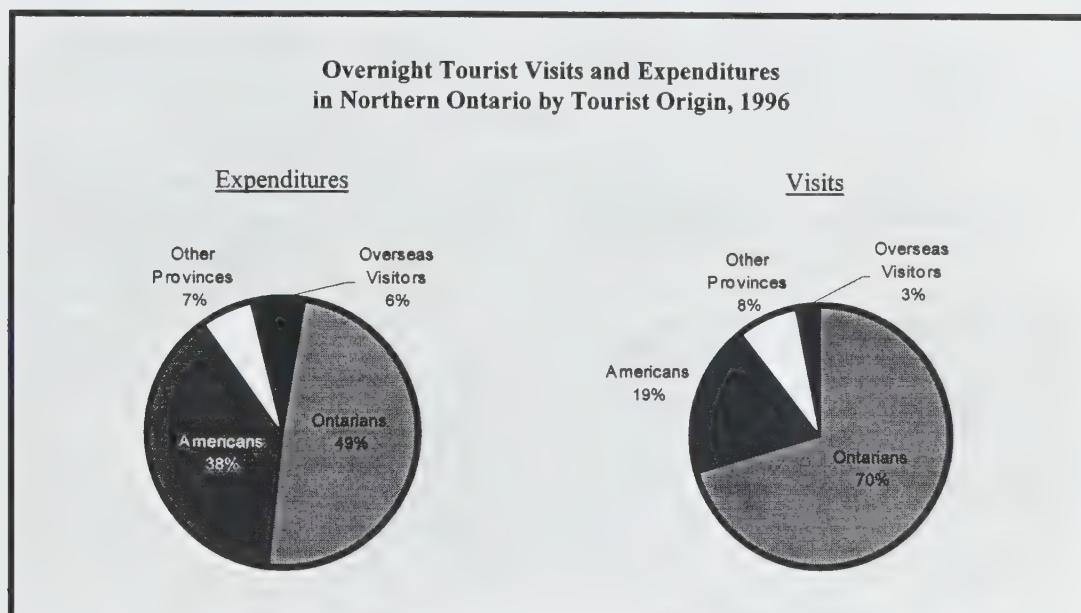
Tourist spending in Northern Ontario directly sustained 23,842 **jobs** in 1996.

The bulk of these jobs were in the accommodations, and food and beverage industries.³⁰



Source: Statistics Canada

Of all travel to Northern Ontario in 1996, 34 percent of total visits were engaged in **resource-based tourism** activities. The average spending per person visit of this group of travelers (\$151/person visit) was 36 percent higher than that of other travelers to the North (\$111/person visit).³¹



Source: MEDTT, 1996

Foreign visitors have a significant impact on the northern economy. While Americans comprised 19 percent of overnight person trips to the North in 1996, they accounted for 38.4 percent of tourist expenditures. Similarly, overseas visitors accounted for 3 percent of the visits but 6 percent of the expenditures.³²

Foreign tourists who engaged in resource-based activities made an especially large economic contribution. While Americans, for instance, accounted for 27.4 percent of visitors engaging in resource-based activities, they contributed 57.2 percent of total resource-based expenditures. Residents of other countries made up 3.5 percent of resource-based visitors, yet accounted for 7.6 percent of resource-based expenditures.³³

Outlook

- In Northern Ontario, there exists the natural beauty, culture, attractions and events that tourism planners indicate will be increasingly in demand by tourists.
- The lower-valued Canadian dollar will continue to provide a stimulus and distinct marketing advantage to the tourist industry of Northern Ontario, which relies heavily on American visitors.

- International competition in tourism is increasing, consequently Northern Ontario will need to develop its infrastructure, improve its accommodations, enhance its marketing, undertake more packaging of its products, etc. to compete internationally.
- There are significant opportunities to enhance and market Aboriginal tourism opportunities in Northern Ontario.
- It is expected the “Lands for Life” land use planning exercise and the “Resource Based Tourism Policy” will provide some stability for all resource-based sectors, and encourage more investment in tourism attractions.
- The Northern Ontario Heritage Fund Corporation has committed significant resources towards tourism infrastructure and marketing in the North.

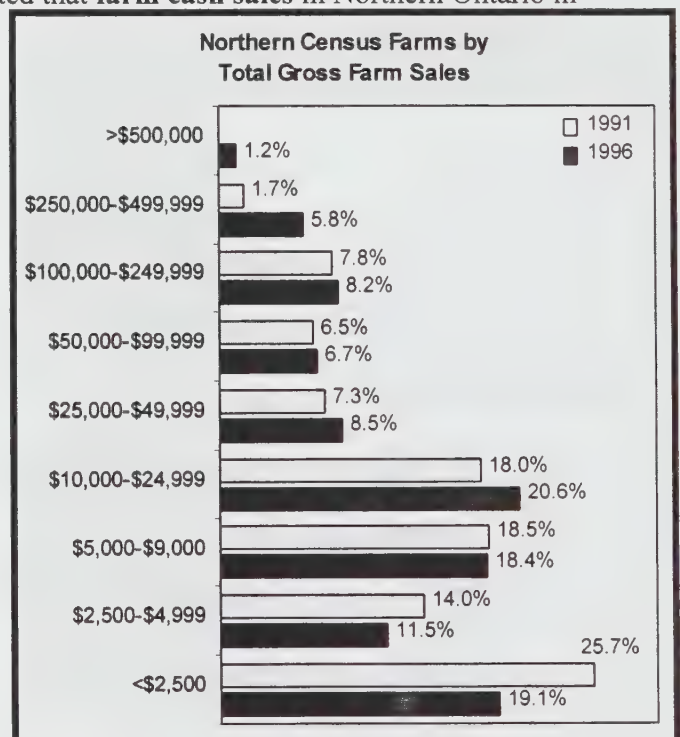
Agriculture

Profile

In Northern Ontario, there are 3,340 **census farms** representing 4.8 percent of the farms in the province, according to the 1996 Census of Agriculture. This represents a slight increase since 1991.³⁴

Dairy is the largest agricultural industry in Northern Ontario followed by the **beef** industry and represents approximately 80 percent of the agricultural activity in the North. The 1996 Census of Agriculture reported that **farm cash sales** in Northern Ontario in 1996 totaled \$104 million. Of this, \$50 million were dairy farm receipts and \$38 million were beef farm receipts.³⁵

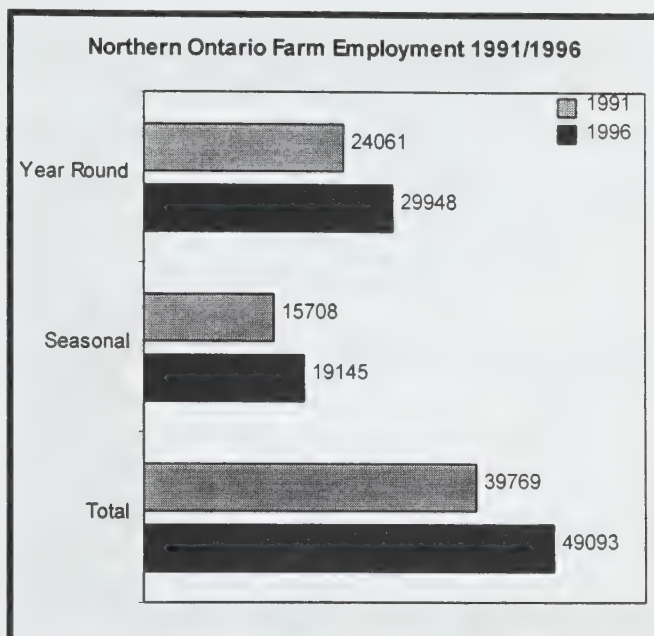
Between 1991 and 1996, the percentage of northern farms with **annual gross sales** over \$25,000 increased from 23.4 percent to over 30 percent. Although there has been an increase in the number of high value-added farm operations, both in the North and across the province, the North continues to have a disproportionate number of small farms. In order to remain competitive, farms have had to improve production processes and lower unit production costs.³⁶



Source: Census of Agriculture, 1996

Employment in primary agriculture in Northern Ontario including, part-time and full-time workers has increased from 1991 to 1996 by 23 percent - from nearly 40,000 to 49,000.³⁷

Agriculture in Northern Ontario is concentrated in a few key areas, particularly the New Liskeard/Verner and Thunder Bay areas. Many communities in other areas of the North have a high dependency on agriculture. Included are the following areas: Mantoulin District, Temiskaming District, Rainy River District, Nipissing West/Sudbury East, Powassan, Cochrane, and the St. Joseph Island/Echo Bay/Bruce Mines area.



Source: Census of Agriculture, 1996

Outlook

- With a move to larger farm operations globally, Northern Ontario farms will need to improve production processes and lower unit production costs in order to remain competitive.
- The dairy industry in Northern Ontario is facing a major challenge due to deregulation and trade liberalization. As a result, farmers may need to explore alternative products.
- The low value of the Canadian dollar will continue to encourage exports in agricultural products.
- Opportunities exist to develop the forage industry for hay, pasture, and seed provided that the necessary infrastructure is in place and producers work cooperatively at developing and promoting markets. The North has the advantage of segregated agricultural areas for seed multiplication of the new biotech crops (limits problem of cross-pollination).
- Industrial hemp has the potential to be an emerging industry with Northern Ontario on the leading edge of research. Viable commercial end uses for industrial hemp need to be determined if research shows a commercial crop is feasible in the north.

- Land improvement projects under the Northern Ontario Heritage Fund support the increase in available land for high value crops and longer season crops while decreasing the need for dependency on imported feeds. The NOHFC also funds capital projects, which have the potential of expanding capacity in the dairy, beef, pork and sheep industries.
- There exists a potential opportunity for the food processing industry to expand into export markets, and consumer niche markets such as health, ethnic, and ready to eat/take away products.

Manufacturing and Service Industries

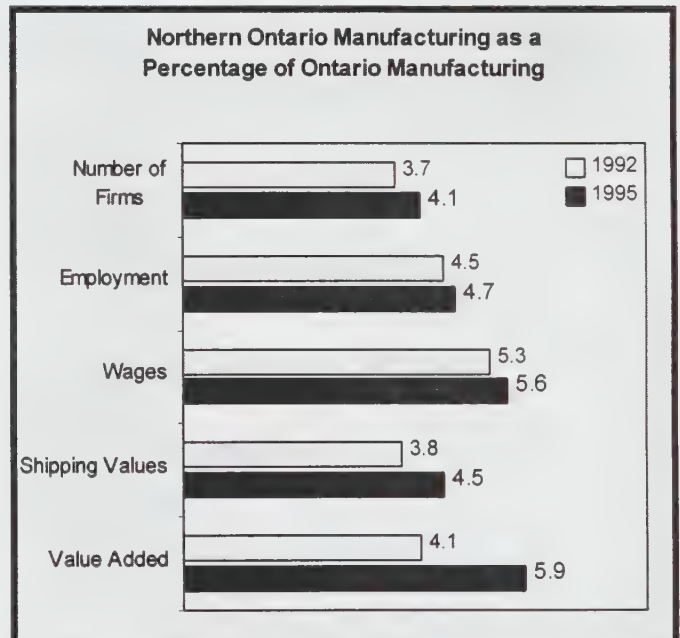
Profile

Statistics Canada's, Annual Survey of Manufacturers reported that in 1995, there were 562 **manufacturing firms** in Northern Ontario, representing 4.1 percent of the provincial total. There were 12 percent more firms in the North in 1995 than in 1992. The increase was most dramatic in the value-added component. Growth is due, in part, to the establishment and expansion of industries in the North, such as plastics, textiles and machinery industries.³⁸

Employment in the manufacturing sector in Northern Ontario increased by 13 percent from 1992 to 1995 to 40,019 workers.³⁹

The **value of shipments** of manufactured goods from the North increased from \$5.3 billion in 1992 to \$9.8 billion in 1995. Value-added manufacturing increased from \$2.3 billion to \$4.9 billion. Shipping and value-added figures (adjusted to 1986 dollars) both exceeded the peak levels achieved in 1986

(\$6.3 billion in shipments and \$2.8 billion in value-added). The increasing use of technology has led to an increase in the value of shipments per employee from \$140,000 in 1992 to \$195,000 in 1995.⁴⁰

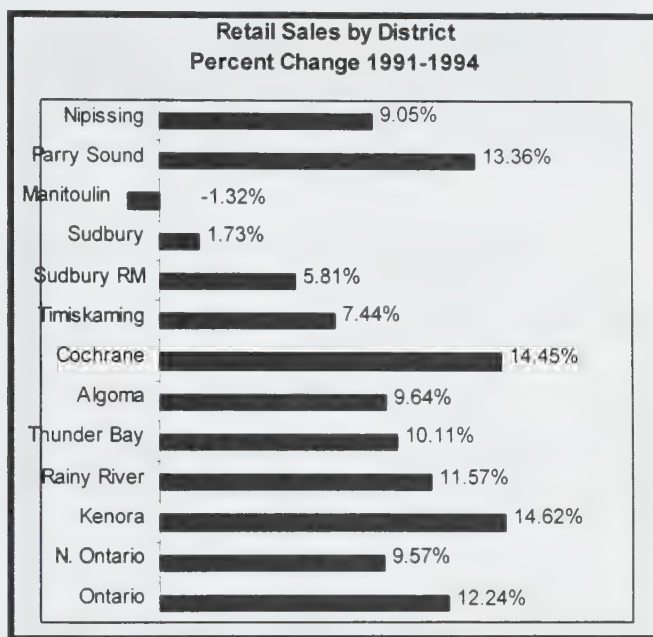


Source: Statistics Canada

In Northern Ontario, employment in **service industries** grew more than 10 percent between 1987 and 1997 to a total of 263,600 workers. The services sector of the

Canadian economy accounts for 75 percent of all jobs (including 90 percent of all new jobs created) and 2/3 of Canada's gross domestic product.⁴¹

The **retail sector** experienced a 6.3 percent increase in the number of establishments in Northern Ontario from 1991 to 1994, according to Statistics Canada. During the same period, retail sales increased by 9.6 percent. Kenora, Cochrane, and Parry Sound Districts all recorded substantial increases in retail sales of 14.6 percent, 14.5 percent, and 13.4 percent respectively which exceeded the provincial level of 12.2 percent.⁴²



Source: Statistics Canada

Outlook

- In order to remain globally competitive, the manufacturing sector in Northern Ontario will need to continue to invest in high-tech equipment to create products, add value to existing ones, increase output and reduce costs. Significant opportunities exist in value-added products in the forestry and mining sectors.
- Employment will continue to shift from the primary sectors into the service sector as businesses increasingly make use of the services of external companies to perform functions such as transportation, warehousing, and communications.
- There has been a growth in demand for personal, financial, health, recreational and food and beverage services. This growth is partly attributable to an increase in the number of women in the labour force, aging population, and increase in incomes.
- With the globalization of markets and the growth in knowledge-based industries, there will be an increasing number of companies engaged in exporting goods and services from Northern Ontario.

- New technologies are improving electronic communications creating opportunities for companies in emerging sectors, such as biotechnology, to locate in Northern Ontario.
- There are significant opportunities for Northern Ontario to take advantage of the growing telecommunications service industry. A number of northern communities are upgrading their telecommunications infrastructure in order to attract call centres and high tech industries. The bilingual labour force assists in the attractiveness of these types of businesses in a number of northern communities.

Conclusion

Northern Ontario's resource-based economy continues to be impacted by the boom and bust cycles of international commodity prices. Although the impacts of the cycles are lessened by the diversification of the economy, economic progress continues to rely heavily on the growth of forestry and mining. Global trends such as the liberalization of trade and the removal of government subsidies are changing the economic landscape and forcing northern industries to become more efficient.

Since export market expansion continues to be the key stimulant for economic development and job creation in Northern Ontario, developments of new value-added resource-based products represent the future for industrial expansion in Northern Ontario. Significant opportunities exist in marketing the expertise and the technology and equipment developed from servicing the north's resource-based industries

Tourism continues to make an important contribution to the economy. A low Canadian dollar and the perception of the North as a safe and green destination are positioning Northern Ontario to take advantage of the growing tourism business. The agriculture industry in Northern Ontario is restructuring as deregulation moves producers from traditional markets such as dairy products to alternative agriculture products such as industrial hemp. More and more northern businesses are looking at non-traditional areas such as the telecommunications industry to expand the economy.

ENDNOTES

- ¹ International Monetary Fund
- ² Bank of Montreal International Economic Review May 1998
- ³ Bank of Montreal International Economic Review May 1998
- ⁴ Ministry of Finance, Ontario 1998 Budget
- ⁵ Statistics Canada – 1991, 1996 Population Census
- ⁶ Statistics Canada – 1996 Population Census
- ⁷ Statistics Canada – Labour Force Survey
- ⁸ Statistics Canada – Labour Force Survey
- ⁹ Statistics Canada – Labour Force Survey
- ¹⁰ Revenue Canada - 1993, 1994, 1995
- ¹¹ Statistics Canada, Special Runs 1991, 1994
- ¹² Statistics Canada
- ¹³ 11 Municipalities in Northern Ontario
- ¹⁴ Statistics Canada
- ¹⁵ Statistics Canada, Ontario Ministry of Community and Social Services
- ¹⁶ Ontario Ministry of Education & Training
- ¹⁷ Ontario Ministry of Northern Development & Mines
- ¹⁸ Ontario Ministry of Northern Development & Mines
- ¹⁹ Ontario Ministry of Northern Development & Mines
- ²⁰ Ontario Ministry of Northern Development & Mines
- ²¹ Ontario Ministry of Northern Development & Mines
- ²² Natural Resources Canada
- ²³ International Trade Division, Statistics Canada
- ²⁴ Ontario Ministry of Natural Resources
- ²⁵ Canadian Pulp and Paper Association
- ²⁶ Statistics Canada
- ²⁷ Statistics Canada
- ²⁸ Ontario Ministry of Economic Development & Trade, “An Economic Profile of Tourism in Northern Ontario”
- ²⁹ Ontario Ministry of Economic Development & Trade, “An Economic Profile of Tourism in Northern Ontario”
- ³⁰ Ontario Ministry of Economic Development & Trade, “An Economic Profile of Tourism in Northern Ontario”
- ³¹ Ontario Ministry of Economic Development & Trade, “An Economic Profile of Tourism in Northern Ontario”
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- ³⁴ Census of Agriculture – Agriculture and Agri-Food Canada
- ³⁵ Census of Agriculture – Agriculture and Agri-Food Canada
- ³⁶ Census of Agriculture – Agriculture and Agri-Food Canada
- ³⁷ Census of Agriculture – Agriculture and Agri-Food Canada
- ³⁸ Statistics Canada – Manufacturing Survey
- ³⁹ Statistics Canada – Manufacturing Survey
- ⁴⁰ Statistics Canada – Manufacturing Survey
- ⁴¹ Statistics Canada – Manufacturing Survey
- ⁴² Statistics Canada - Special Run –Retail Statistics

DATA SOURCES

GENERAL ECONOMIC OUTLOOK

1. Global Outlook – International Monetary Fund
2. US Economy – Bank of Montreal International Economic Review May 1998
3. Canadian Economy - Bank of Montreal International Economic Review May 1998
4. Ontario Economy – Ministry of Finance, Ontario 1998 budget

NORTHERN ONTARIO OVERVIEW

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17. Metal Mining Employment – Ministry of Northern Development & Mines
18. Exploration Expenditures – Ministry of Northern Development & Mines
19. Minesite Development Expenditures - Ministry of Northern Development & Mines
20. Mining Claims - Ministry of Northern Development & Mines
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